



**STATE OF DELAWARE  
OFFICE OF AUDITOR OF ACCOUNTS**

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# PRESS RELEASE

Delaware State Auditor, R. Thomas Wagner, Jr. responds to the matter of Local School District audits. The Office of Auditor of Accounts has and will continue to perform Local School District audits. The most recent audited financial statements for the State of Delaware include each individual school district.

STATE OF DELAWARE  
COMBINING BALANCE SHEET  
LOCAL SCHOOL DISTRICT FUNDS  
JUNE 30, 2009  
(Expressed in Thousands)

	Appoquinimink	Brandywine	Caesar Rodney	Cape Henlopen	Capital	Christina	Colonial	Delmar	Indian River	Lake Forest
<b>Assets</b>										
Cash and cash equivalents	\$ 4	\$ 770	\$ 871	\$ 609	\$ 1,135	\$ 141	\$ 280	\$ 32	\$ 620	\$ 405
Investments	13,895	10,040	11,657	22,222	16,502	44,609	29,513	2,066	20,896	8,201
Accounts receivable, net	-	-	-	62	-	211	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-	-
Taxes receivable, net	1,264	1,545	708	1,537	1,124	3,659	2,565	449	3,170	604
Inventories	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>15,163</b>	<b>12,355</b>	<b>13,236</b>	<b>24,430</b>	<b>18,761</b>	<b>48,620</b>	<b>32,358</b>	<b>2,547</b>	<b>24,686</b>	<b>9,210</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts payable	754	7,652	662	3,164	970	11,182	4,846	59	3,029	532
Due to general fund	-	-	-	-	-	5,472	-	-	-	-
Deferred revenue	302	1,372	671	1,459	992	3,398	2,351	438	2,995	587
<b>Total liabilities</b>	<b>1,056</b>	<b>9,024</b>	<b>1,333</b>	<b>4,623</b>	<b>1,962</b>	<b>20,052</b>	<b>7,197</b>	<b>497</b>	<b>6,024</b>	<b>1,119</b>
<b>Fund balances (deficit)</b>										
Reserved for										
Encumbrances	466	1,227	588	605	318	774	1,954	31	859	279
Inventories	-	-	-	-	-	-	-	-	-	-
Unreserved (deficit)	13,641	2,104	11,315	19,202	16,481	27,794	23,207	2,019	17,803	7,812
<b>Total fund balances</b>	<b>14,107</b>	<b>3,331</b>	<b>11,903</b>	<b>19,807</b>	<b>16,799</b>	<b>28,568</b>	<b>25,161</b>	<b>2,050</b>	<b>18,662</b>	<b>8,091</b>
<b>Total liabilities and fund balances</b>	<b>\$ 15,163</b>	<b>\$ 12,355</b>	<b>\$ 13,236</b>	<b>\$ 24,430</b>	<b>\$ 18,761</b>	<b>\$ 48,620</b>	<b>\$ 32,358</b>	<b>\$ 2,547</b>	<b>\$ 24,686</b>	<b>\$ 9,210</b>

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STATE OF DELAWARE  
COMBINING BALANCE SHEET - CONTINUED  
LOCAL SCHOOL DISTRICT FUNDS  
JUNE 30, 2009  
(Expressed in Thousands)

	Laurel	Milford	NCC Vo-Tech	Polytech	Red Clay	Seaford	Smyrna	Sussex Co Vo-Tech	Woodbridge	DOE Administration	Totals
<b>Assets</b>											
Cash and cash equivalents	\$ 329	\$ 251	\$ 38	\$ 2	\$ 1,145	\$ 863	\$ 17	\$ 8	\$ 234	\$ -	\$ 7,754
Investments	913	10,503	18,261	5,249	29,162	6,820	10,214	4,916	3,578	9	269,226
Accounts receivable, net	3	-	-	-	-	-	-	370	-	-	646
Grants receivable	-	-	-	-	-	-	-	-	-	-	-
Taxes receivable, net	903	790	1,222	304	2,593	1,655	456	827	1,039	-	26,414
Inventories	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>2,148</b>	<b>11,544</b>	<b>19,521</b>	<b>5,555</b>	<b>32,900</b>	<b>9,338</b>	<b>10,687</b>	<b>6,121</b>	<b>4,851</b>	<b>9</b>	<b>304,040</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>Liabilities</b>											
Accounts payable	334	144	3,274	141	9,168	325	103	806	158	-	47,303
Due to general fund	-	-	-	-	-	-	-	-	-	-	5,472
Deferred revenue	871	757	1,056	280	2,222	1,577	419	1,151	1,004	-	23,902
<b>Total liabilities</b>	<b>1,205</b>	<b>901</b>	<b>4,330</b>	<b>421</b>	<b>11,390</b>	<b>1,902</b>	<b>522</b>	<b>1,957</b>	<b>1,162</b>	<b>-</b>	<b>76,677</b>
<b>Fund balances (deficit)</b>											
Reserved for:											
Encumbrances	24	297	1,805	5	4,310	185	349	42	85	-	14,203
Inventories	-	-	-	-	-	-	-	-	-	-	-
Unreserved (deficit)	919	10,346	13,386	5,129	17,200	7,251	9,816	4,122	3,604	9	213,160
<b>Total fund balances</b>	<b>943</b>	<b>10,643</b>	<b>15,191</b>	<b>5,134</b>	<b>21,510</b>	<b>7,436</b>	<b>10,165</b>	<b>4,164</b>	<b>3,689</b>	<b>9</b>	<b>227,363</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,148</b>	<b>\$ 11,544</b>	<b>\$ 19,521</b>	<b>\$ 5,555</b>	<b>\$ 32,900</b>	<b>\$ 9,338</b>	<b>\$ 10,687</b>	<b>\$ 6,121</b>	<b>\$ 4,851</b>	<b>\$ 9</b>	<b>\$ 304,040</b>

STATE OF DELAWARE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
LOCAL SCHOOL DISTRICT FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(Expressed in Thousands)

	Appoquinimink	Brandywine	Caesar Rodney	Cape Henlopen	Capital	Christina	Colonial	Delmar	Indian River	Lake Forest
<b>Revenues</b>										
Business taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Real estate taxes	25,814	56,344	8,140	26,211	16,521	79,033	39,958	1,353	30,021	4,889
Licenses, fees, permits and fines	-	18	-	1,027	-	1	1	-	2	-
Rentals and sales	3,079	1,455	112	111	53	152	86	73	726	1,894
Federal government	-	132	14	59	-	623	-	-	189	-
Interest & other investment income	423	770	221	536	468	1,268	905	61	634	205
Other	1,873	1,945	3,777	1,396	2,055	919	5,608	790	1,843	1,545
<b>Total revenues</b>	<b>31,189</b>	<b>60,664</b>	<b>12,264</b>	<b>29,340</b>	<b>19,097</b>	<b>81,996</b>	<b>46,558</b>	<b>2,277</b>	<b>33,415</b>	<b>8,533</b>
<b>Expenditures</b>										
Education	19,688	53,616	10,052	24,737	13,310	70,520	39,142	1,756	27,933	8,070
Unrestricted payments to component unit - Education	1,237	2,238	205	493	945	4,801	1,865	1	168	108
<b>Total expenditures</b>	<b>20,925</b>	<b>55,854</b>	<b>10,257</b>	<b>25,230</b>	<b>14,255</b>	<b>75,321</b>	<b>41,007</b>	<b>1,757</b>	<b>28,101</b>	<b>8,178</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>10,264</b>	<b>4,810</b>	<b>2,007</b>	<b>4,110</b>	<b>4,842</b>	<b>6,675</b>	<b>5,551</b>	<b>520</b>	<b>5,314</b>	<b>355</b>
<b>Other Sources (Uses) of Financial Resource</b>										
Transfers in	746	3,200	7,572	10,023	2,037	10,903	2,613	639	8,137	1,557
Transfers out	(7,333)	(9,234)	(4,318)	(10,092)	(3,064)	(12,099)	(8,756)	(1,572)	(9,288)	(1,931)
<b>Total other sources (uses) of financial resources</b>	<b>(6,587)</b>	<b>(6,034)</b>	<b>3,254</b>	<b>(69)</b>	<b>(1,027)</b>	<b>(1,306)</b>	<b>(6,143)</b>	<b>(933)</b>	<b>(1,151)</b>	<b>(374)</b>
<b>Net change in fund balances</b>	<b>3,677</b>	<b>(1,224)</b>	<b>5,262</b>	<b>4,041</b>	<b>3,815</b>	<b>5,368</b>	<b>(592)</b>	<b>(413)</b>	<b>4,163</b>	<b>(19)</b>
Fund balances - beginning	10,430	4,555	6,641	15,766	12,984	23,200	25,753	2,463	14,499	8,110
Fund balances - ending	\$ 14,107	\$ 3,331	\$ 11,903	\$ 19,807	\$ 16,799	\$ 28,568	\$ 25,161	\$ 2,050	\$ 18,662	\$ 8,091

STATE OF DELAWARE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) - CONTINUED  
LOCAL SCHOOL DISTRICT FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(Expressed in Thousands)  
(continued)

	Laurel	Milford	NCC Vo-Tech	Polytech	Red Clay	Seaford	Smyrna	Sussex Co Vo-Tech	Woodbridge	DOE Administration	Totals
<b>Revenues</b>											
Business taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Real estate taxes	2,680	7,093	25,494	3,901	77,298	6,363	6,748	7,027	3,990	-	428,878
Licenses, fees, permits and fines	-	1	-	-	20	-	640	-	839	-	2,549
Rentals and sales	172	91	151	410	1,200	55	53	170	126	-	10,169
Federal government	-	-	-	-	5	-	44	5	-	-	1,071
Interest & other investment income	35	366	421	119	801	156	348	124	86	4	7,951
Other	700	1,127	3,174	211	3,202	993	820	963	1,221	(328)	33,834
<b>Total revenues</b>	<b>3,587</b>	<b>8,678</b>	<b>29,240</b>	<b>4,641</b>	<b>82,526</b>	<b>7,567</b>	<b>8,653</b>	<b>8,289</b>	<b>6,262</b>	<b>(324)</b>	<b>484,452</b>
<b>Expenditures</b>											
Education	2,923	4,742	25,564	3,616	62,366	5,037	4,601	7,059	4,234	-	388,966
Unrestricted payments to component unit - Education	19	33	-	-	-	72	350	-	20	-	12,555
<b>Total expenditure</b>	<b>2,942</b>	<b>4,775</b>	<b>25,564</b>	<b>3,616</b>	<b>62,366</b>	<b>5,109</b>	<b>4,951</b>	<b>7,059</b>	<b>4,254</b>	<b>-</b>	<b>401,521</b>
<b>Excess (deficiency) of revenues over expenditure</b>	<b>645</b>	<b>3,903</b>	<b>3,676</b>	<b>1,025</b>	<b>20,160</b>	<b>2,458</b>	<b>3,702</b>	<b>1,230</b>	<b>2,008</b>	<b>(324)</b>	<b>82,931</b>
<b>Other Sources (Uses) of Financial Resource</b>											
Transfers in	334	646	626	949	5,590	1,344	515	584	374	323	58,712
Transfers out	(1,087)	(3,036)	(1,560)	(285)	(10,895)	(2,210)	(3,131)	(826)	(1,738)	-	(92,565)
<b>Total other sources (uses) of financial resources</b>	<b>(753)</b>	<b>(2,390)</b>	<b>(934)</b>	<b>664</b>	<b>(5,305)</b>	<b>(866)</b>	<b>(2,616)</b>	<b>(242)</b>	<b>(1,364)</b>	<b>323</b>	<b>(33,853)</b>
<b>Net change in fund balances</b>	<b>(108)</b>	<b>1,513</b>	<b>2,742</b>	<b>1,689</b>	<b>14,855</b>	<b>1,592</b>	<b>1,086</b>	<b>988</b>	<b>644</b>	<b>(1)</b>	<b>49,078</b>
Fund balances - beginning	1,051	9,130	12,449	3,445	6,655	5,844	9,079	3,176	3,045	10	178,285
Fund balances - ending	\$ 943	\$ 10,643	\$ 15,191	\$ 5,134	\$ 21,510	\$ 7,436	\$ 10,165	\$ 4,164	\$ 3,689	\$ 9	\$ 227,363

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As stated in fiscal year ended June 30, 2009, audited financials, “The State’s 19 local school districts, which are not legally separate, are included in the reporting entity of the primary government.” Additionally the report describes the activity of Local School funds as funds that are used to account for activities relating to the State’s local school districts, which are funded by locally raised real estate taxes and other revenues.

State Auditor Wagner defends the State’s accounting professionals that prepare the financial statements and the work of the internationally recognized CPA firm who conducted the audit against the misrepresentation that local school districts are not being audited.

For more information, please contact Kathleen O’Donnell, CPA-PA, CISA, CGFM, CGAP, Chief Administrative Auditor, for questions at 302-857-3919 or [Kathleen.Odonnell@state.de.us](mailto:Kathleen.Odonnell@state.de.us).